

**WASHINGTON, DC—Rep. DeFazio (OR-04) stood up for Oregon jobs today when he spearheaded an Oregon delegation letter to the Secretary of the Treasury and Chairman of the Federal Reserve, asking them to open up a Federal Reserve lending facility to recreational vehicle loans. This action will encourage banks to make loans to people with good credit for the purchase of recreational vehicles and make loans to recreational vehicle dealers to stock their showrooms. Enabling banks to loan money should help thaw the frozen credit market. The current lending facility provides the same type of loans to auto consumers and auto dealers, but not the recreational vehicle market. Extending this credit would be easy and prudent.**

Rep. DeFazio (OR-04) stood up for Oregon jobs today when he spearheaded an Oregon delegation letter to the Secretary of the Treasury and Chairman of the Federal Reserve, asking them to open up a Federal Reserve lending facility to recreational vehicle loans. This action will encourage banks to make loans to people with good credit for the purchase of recreational vehicles and make loans to recreational vehicle dealers to stock their showrooms. Enabling banks to loan money should help thaw the frozen credit market. The current lending facility provides the same type of loans to auto consumers and auto dealers, but not the recreational vehicle market. Extending this credit would be easy and prudent.

Nationally there are 150,000 recreational vehicle manufacturing jobs which produce \$5 billion in annual payroll. Unfortunately, the liquidity crisis has already caused the loss of 80,000 jobs in the industry. In Southwest Oregon the industry provides close to 3,000 jobs but one company, Country Coach started a series of lay offs in December 2007 causing their workforce to fall from about 1,800 workers to about 500. Country Coach warns that, if something is not done about the liquidity crisis, they will have to close altogether.

"The recreation vehicle industry is vital to the Oregon economy but, these otherwise healthy companies have been devastated by the economic recession and the lack of credit for both consumers and dealers," DeFazio said. "People are already facing reduced wages, job losses and an increased cost of living. Extending credit from the Federal Reserve will save thousands of Oregon jobs at a time when we most need it."

The letter is below.

The Honorable Henry Paulson

Secretary

U.S Department of Treasury

1500 Pennsylvania Avenue, N.W. Washington DC 20220 The Honorable Ben Bernanke

Chairman

Federal Reserve System

20<sup>th</sup> and C Street

Washington DC 20551

Dear Secretary Paulson and Chairman Bernanke:

We are aware you have taken multiple actions to restore liquidity to the credit markets and those markets have recently shown signs of improvement. But those improvements have not percolated down to the consumer level and continue to negatively impact viable businesses that absent the credit market crunch would need no government assistance.

In Oregon, and across the United States, the recreational vehicle industry has been devastated by the lack of available credit despite the many potential customers with excellent credit scores ready to purchase these American made products. The liquidity crisis has cost 80,000 U.S. jobs in the recreational vehicle industry that could have easily been prevented. Irrational fears and bad decisions by the financial industry should not continue to hold otherwise healthy sections of the economy hostage.

As you know, in November of 2008, the Federal Reserve created the Term Asset-Backed Securities Loan Facility (TALF) to make more credit available to consumers by extending credit for credit card loans, student loans, and auto loans. In December, the Federal Reserve included auto dealer floorplan loans, essential for dealers to retain inventory in showrooms.

We request that the Federal Reserve include recreational vehicle consumer loans and recreational vehicle dealer floorplan loans in the TALF, allowing this otherwise healthy industry to rebound and protect upwards of 150,000 domestic manufacturing jobs. This is a common sense proposal that will protect good paying domestic jobs at little cost to taxpayers.

Adding recreational vehicles to the lending facility poses little risk to the taxpayer. Recreational vehicle buyers tend to be older and higher income households, thus the default rates on recreational vehicle loans is half the default rate of auto loans.

We continue to be frustrated by the lack of lending by the financial industry. Despite your efforts including direct injections of capital, expansion of the Federal Reserve lending facilities, and guarantees of deposits, the financial industry continues to hold back. The recent revelation that banks who received TARP funds have not reported how the money was allocated, or even if it was allocated, is extremely troubling. The failure of the banks to follow the intent of Congress has left a void in the economy. Making already existing lending available to the recreational vehicle industry and its consumers would appear to be far more effective than relying on the financial industry to act in the interest of the nation.

We look forward to your favorable response that would save thousands of domestic jobs here in our state of Oregon.

Sincerely,

Peter DeFazio

Greg Walden

Member of Congress

Member of Congress

Ron Wyden

Jeff Merkley

Senator

Senator

Earl Blumenauer

David Wu

Member of Congress

Member of Congress

Kurt Schrader

Member of Congress